

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 82 of 1986

For Approval and Signature:

Hon'ble MR.JUSTICE J.M.PANCHAL
and
Hon'ble MR.JUSTICE M.S.SHAH

- =====
1. Whether Reporters of Local Papers may be allowed : NO
to see the judgements?
 2. To be referred to the Reporter or not? : NO
 3. Whether Their Lordships wish to see the fair copy : NO
of the judgement?
 4. Whether this case involves a substantial question : NO
of law as to the interpretation of the Constitution
of India, 1950 of any Order made thereunder?
 5. Whether it is to be circulated to the Civil Judge? : NO

COMMISSIONER OF INCOME TAX

Versus

DIGVIJAY CEMENT CO. LTD.

Appearance:

MR AKIL QURESHI with MR MANISH R BHATT for Petitioner
MR RK PATEL for Respondent No. 1

CORAM : MR.JUSTICE J.M.PANCHAL
and
MR.JUSTICE M.S.SHAH

Date of decision: 11/01/2001

ORAL JUDGEMENT

(Per : MR.JUSTICE M.S.SHAH)

In this reference at the instance of the revenue,
the following question is referred for our opinion in

respect of assessment year 1980-81 :-

"Whether, on the facts and in the circumstances of the case, the Tribunal was right in law in allowing the expenditure of Rs.32,000/- incurred by the assessee for the preparation of feasibility report as revenue expenditure ?"

2. At the hearing of the reference, Mr Akil Qureshi, learned counsel for the revenue and Mr RK Patel, learned counsel for the assessee agree that the controversy raised herein is concluded by a decision of this Court in the case of this very assessee reported at 159 ITR 253 wherein this Court has held that the expenditure incurred for the preparation of feasibility report is capital expenditure.

3. We, therefore, hold that the Tribunal was not right in allowing the expenditure of Rs.32,000/- incurred for the preparation of feasibility report as revenue expenditure. We accordingly answer the question in the negative i.e. in favour of the revenue and against the assessee.

The reference accordingly stands disposed of with no order as to costs.

(J.M. Panchal, J.)

(M.S. Shah, J.)

sundar/-